



Full-Day, Full-Year Early Care and Education Partnerships

Recommendations of the
Collaborative Partners
Work Group



Publishing Information

Full-Day, Full-Year Early Care and Education Partnerships—Recommendations of the Collaborative Partners Work Group was developed by the California Head Start–State Collaboration Office, Child Development Division, California Department of Education. It was designed and prepared for printing by the staff of CDE Press and was published by the Department, 1430 N Street, Sacramento, California (mailing address: P.O. Box 944272, Sacramento, CA 94244-2720). It was distributed under the provisions of the Library Distribution Act and *Government Code* Section 11096.

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ISBN 0-8011-1576-0


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Prepared for publication
by CSEA members.



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Acknowledgments

The California Head Start–State Collaboration Office of the California Department of Education, Child Development Division, developed this report. The United States Department of Health and Human Services, Administration for Children and Families, and the California Department of Education provided funds for the production of the report.

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A Message from the Administration for Children and Families

The Administration for Children and Families (ACF), Children and Youth Development Unit, administers the Head Start and Early Head Start programs in California and the other states and outer Pacific islands that compose ACF Region IX. We promote the national goal of school readiness for children through comprehensive, quality-oriented programs focusing on the entire family.

In support of our programs needing full-day, full-year services for working parents and those who are in training, ACF Region IX and the California Department of Education's Child Development Division (CDD) and its Head Start–State Collaboration Office have collaborated on this report to better facilitate and promote the joint use of Head Start and state CDD funds in serving California's eligible children and families. This report provides guidance for our respective programs in furthering collaborative arrangements and partnerships while illustrating ways to allocate costs in a reasonable and appropriate manner. We appreciate the work of our state colleagues—and their coordination with us—in this endeavor.

for JAN LEN

Director, Children and Youth Development Unit



A Message from the California Department of Education, Child Development Division

The California Department of Education's Child Development Division (CDD) provides leadership and support to all individuals and organizations concerned with children and families by promoting high-quality child development programs.

One of our significant and enduring partnerships has been with Head Start. The Collaborative Partners Work Group, composed of local Head Start and CDD program administrators together with federal and state staff, is to be commended for its efforts that have resulted in this report.

The report provides programmatic and fiscal guidance to those engaged in or contemplating local partnerships between Head Start and CDD-funded programs. We hope you will find it useful.

MICHAEL JETT

Director, Child Development Division



Executive Summary

The demand for full-day, full-year early care and education services has exploded in California, as it has across the rest of the nation, because of welfare reform and other cultural changes. More than 60 percent of two-parent families with young children now have both parents working full-time. And many more single parents with very young children now work as a result of welfare reform.

In response to the changing needs of families, state and federal early care and education administrators have been encouraging providers nationwide to form partnerships to develop full-day, full-year service options. However, regulatory differences in child and family eligibility, class size and staff-to-child ratios, funding for staff education, and other state and federal requirements have hampered the success of such partnerships.

In California a group of Head Start and state-funded early care and education program administrators, federal program staff, and state program staff were brought together by the California Department of Education's Child Development Division, assisted by the California Head Start–State Collaboration Office, to form the Collaborative Partners Work Group (CPWG) to develop guidance for local program providers contemplating entering into full-day, full-year partnerships. Most of the local administrators represented by the CPWG have been engaged in collaborations for several years, either with partner agencies or by virtue of their agency being a

Head Start grantee as well as a state contractor.

The CPWG determined that, while challenges to collaborations between state-funded early education programs and Head Start do exist, they are not insurmountable. The CPWG agreed to identify and describe workable options for achieving full-day, full-year services through partnerships at the local level.

The CPWG reached consensus on guiding principles for all full-day, full-year partnerships, as follows:

- ◆ Partnerships enhance—rather than supplant—existing services.
- ◆ Partnerships have defensible fiscal systems, including a method of cost allocation/cost sharing.
- ◆ The program provides comprehensive services to children and families per Head Start performance standards and in accordance with the needs of families for full-day, full-year services.
- ◆ The program day appropriately meets the developmental needs of children.

- ◆ Partnerships ensure that state *and* federal requirements are met. When federal and state rules or regulations differ, programs adopt the more stringent standard.
- ◆ Children are in publicly subsidized full-day settings when the family requires and is eligible for full-day care. Part-day, part-year programs continue to be the appropriate option for families who do not need full-day services.

This report includes a matrix that describes three primary program models currently in use in various communities: Head Start partnering with State Preschool; Head Start partnering with General Child Care; and Head Start partnering with Family Child Care Home Networks. Descriptions of the models follow the matrix and include strengths and challenges as well as specific recommendations. A section on fiscal guidance and a listing of technical assistance resources are also provided.



Introduction

To determine how to reduce the barriers to full-day, full-year partnerships between state child development contractors and Head Start, and to develop recommendations on acceptable partnership models, the California Department of Education's Child Development Division (CDD) created the Collaborative Partners Work Group (CPWG). The work group's membership included representatives from the California Head Start Association; CDD-funded early care and education programs; staff from the U.S. Department of Health and Human Services, Region IX; and CDD. A list of CPWG members can be found on pages iv and v. Meetings were facilitated by the California Head Start–State Collaboration Office (CHSSCO), which was also responsible for developing this document.

The specific charge to the CPWG by CDD was to carry out the following:

Provide guidance to California's early care and education system regarding acceptable full-day, full-year partnership models. Create a list of actions/changes needed to eliminate barriers to these models. Emphasize access, affordability, and quality between CDD-funded programs and a variety of public and private programs and funding sources, such as Head Start and Families First.

The CPWG began meeting in December 1999. Over the course of its meetings, the CPWG decided to focus on three specific types of collaboration between Head Start and CDD-funded programs: Head Start and State Pre-school programs; Head Start and General Child Care programs; and Head Start and Family Child

Care Home Network programs. Consensus was reached on a number of recommendations regarding these types of collaborations, which are reflected in the model descriptions in the report. The CPWG decided against making specific recommendations on partnerships between Alternative Payment Programs and Head Start because the use of voucher funds is not considered a "partnership," but rather a transactional relationship. The group also decided that addressing programs of the state and county Children and Families Commissions (referred to in the charge to CPWG as "Families First") was beyond the group's scope because the multiplicity of activities among those various commissions and the differences among county commissions were exceedingly complex.

The CPWG developed a list of strengths and challenges for each of the partnership models examined. Solutions for several of the challenges have been identified. Of those that remain, the

following are the most significant and should be considered by programs considering whether to collaborate:



Challenge 1: Income Eligibility Differences

Head Start income eligibility guidelines are tied to the U.S. Census Bureau poverty level (\$17,650 for a family of four, based on 2001 data), while state income eligibility is based on a percentage of the state median income (\$37,644 for a family of four, based on 2000-01 data). In California the problem is exacerbated because the state's minimum wage is higher than the federal minimum wage. Consequently, a parent working full-time at the minimum wage level in California exceeds the federal poverty ceiling.

- ◆ *Recommendation and CPWG action: Clarify to the field that families receiving support from the federal Temporary Assistance for Needy Families program retain eligibility for Head Start regardless of income.* The CPWG requested that the Region IX office clarify the definition of *public assistance* in the Administration for Children and Families (ACF) Information Memorandum 99-06, which was subject to varying interpretations in the field. The Region IX office responded to this request by developing and disseminating a letter of clarification to California's grantees. The letter, which appears in Appendix A of this report, confirmed that families served under CalWORKs in any of the CalWORKs "stages" meet the definition of public assistance in ACF 99-06 and may, therefore, exceed the Head Start income limits without jeopardizing their eligibility for Head Start services.
- ◆ *Recommendation: Raise the Head Start 10-percent-over-income limit.* Federal policymakers still hear of unserved eligible families, and may be hesitant to raise income levels when lower-income families are still in need of services. Policymakers should be

helped to understand that several distinct populations exist within Head Start: families who still need part-day services; families who need full-day, full-year services because of welfare reform; and working poor families (not connected to welfare) who have always needed full-day, full-year services.

- ◆ *Recommendation: Change the federal statute in order to permit California's state income guidelines to be followed in collaborative projects.* This change is considered to be unlikely before reauthorization of the Head Start Act, unless language is added to another piece of legislation.



Challenge 2: Class Size

Class size is an important Head Start criterion. Currently class size may not exceed 20 children. State programs place a greater emphasis on the significance of teacher-child ratios. These ratios, when combined with the state funding model, make a preferred class size of 24 children. Members of the CPWG met with Region IX staff to discuss options.

- ◆ *Recommendation: Partnerships may use Head Start funds to offset lost revenue resulting from limiting classes to a smaller size.* Region IX staff noted that Head Start programs may use Head Start quality funds to offset the loss of revenue from reducing class size to Head Start maximums.
- ◆ *Recommendation: Request a federal waiver of the Head Start class size limits for partnerships.* This proposed option was explored with ACF by CDD and the CPWG; however, obtaining a waiver of Head Start class-size regulations is not likely at this time.



Challenge 3: Staff Qualifications

Minimum education requirements for staff in state-funded programs differ from the requirements of Head Start. They

also differ among state-funded programs, depending on whether a program must meet the requirements of Title 5 or Title 22 of the *California Code of Regulations*. However, the significance of this challenge may not be great for some grantees, considering the Head Start requirement that 50 percent of teachers hold a bachelor's or associate's degree by the year 2003.

- ◆ **Group consensus:** Resolving this challenge will not be addressed unless or until the early care and education community in California decides that a statutory change is desired.



Challenge 4: Length of State Early Care and Education Eligibility vs. Head Start Eligibility

State Preschool and General Child Care-funded children are certified for one year. In contrast, once certified, Head Start children may continue in the program until kindergarten with a few exceptions.

- ◆ **Group consensus:** This challenge is not one for Head Start and GCC partnerships to address. Given the nature of these programs, this discrepancy is often appropriate. For example, Head Start children, while eligible for Head Start for two years, are not to be enrolled in full-day, full-year partnership programs unless their families have a need for a full-time program, based on the parents' being employed, seeking employment, or participating in training. If families' needs change, the children should be transferred to part-day services.

Notwithstanding the above, the yearly eligibility redetermination *may be* a problem for collaborations between Head Start and State Preschool programs. Children enrolled in State Preschool at age three may lose their "slot" in the second year if children from lower-income families apply for services, causing families who have been receiving full-day, full-year services while working to lose the full-day services they require.

- ◆ **Recommendation and CPWG action:** Notwithstanding *Education Code* Section 8237, the CPWG recommends, in order to promote school readiness, that CDD seek legislation that permits otherwise eligible three-year-old children to remain in State Preschool for a second year if the children are in a collaborative program with Head Start.
- ◆ **Another possible solution:** The 2001 document *Braided Funding—Frequently Asked Questions and Answers* (Region VIII Quality Improvement Center) contains the following question: "If a child in a braided-funding situation becomes ineligible for a child care subsidy, can the Head Start grant pick up the costs to allow the child to remain in the full-day, year-round classroom program?" The response given includes the following: "If the child is otherwise eligible for Head Start and is or can be enrolled in the Head Start program, the Head Start grantee can pick up the costs for that child to remain in the full-day, year-round program. If the child is not eligible for Head Start or cannot be included in the 10-percent-over-income category, then he or she would no longer be allowed to remain in the program."



Guiding Principles for Full-Day, Full-Year Partnerships

The CPWG reached consensus on guiding principles, also described as a “minimum bar,” that each collaboration must meet in order to be recommended as acceptable for all full-day, full-year options:

- ◆ It is important that programs interested in collaboration learn as much as possible about their potential partner’s program, funding, rules and regulations, and agency “culture” prior to finalizing partnerships.
 - ◆ Partnerships enhance, rather than supplant, existing services.
 - ◆ Partnerships have defensible fiscal systems, including a method of cost allocation/cost sharing that must enhance, not supplant, existing services. Partners who are braiding or blending funds have a cost-allocation plan that meets federal requirements per Head Start guidance and state contract requirements.
 - ◆ The program provides comprehensive services to children and families in accordance with Head Start performance standards and meets the needs of families for full-day, full-year services. The program’s daily plans appropriately meet the developmental needs of the children.
 - ◆ Partnerships ensure that state and federal requirements are met. When federal and state rules or regulations differ, programs adopt the more stringent standard.
 - ◆ Children are in publicly subsidized, full-day settings when their families need and are eligible for full-day care. Part-day, part-year programs continue to be the appropriate option for families who do not need full-day services.
 - ◆ **Full-day** is defined as a minimum of 6 ½ hours per day, plus additional hours as needed by individual families.
- Full-year** is defined as a program year that meets the needs of the population and community being served. Generally, this means a 12-month program that operates on at least 246 days. In some communities the full-year needs of families may be less than 12 months. For example, a program whose families are in a training program that operates 180 days during the program year and for whom 12 months of service are not required because the parents are available to care for their children for the remainder of the year could be considered a full-year program. (*Note:* This program-year definition does not necessarily correspond to Head Start or state program definitions that apply to program operations.)



Full-Day, Full-Year Partnership Models Using Funding from Head Start and the California Department of Education's Child Development Division

The chart presented on the following pages presents several possible combinations of Head Start and Child Development Division programs, each of which is currently being offered by one or more agencies represented by members of the Collaborative Partners Work Group (CPWG). Each model description includes information on staffing ratios and staff education requirements. Also included are some of the strengths and challenges presented by each model, as determined by the CPWG.

Programs in communities that are considering any of these models for partnering to provide full-day, full-year early care and education services should ask themselves the following questions:

- ◆ Programmatic: What is best for the children and what is best for the families in our community?
- ◆ Curricular: Have we created a developmentally appropriate, full-day curriculum that

meets the needs of children and families, and do we meet the programmatic and staffing requirements of all funding sources?

- ◆ Fiscal: Do we have a defensible fiscal system that includes, if required, an approvable cost-allocation plan?

After answering these questions, program staff should then look for a model that addresses their answers.

Program Models

<i>Head Start (HS) and State Preschool (SP) Partnership</i>	<i>Head Start (HS) and General Child Care (GCC) Partnership</i>	<i>Head Start (HS) and Family Child Care Home (FCCH) Network Partnership</i>
<p>Program Description</p> <ul style="list-style-type: none"> • SP typically operates half-days for a traditional academic year (175 days). HS operates half-days for 175 days. This partnership may fully meet the needs of parents in the community. • Options for longer day and/or year, if needed, include additional funding from HS or from other resources (Proposition 10, voucher, other public or private funding source). • Parents require more than part-day services in order to work, attend training, or engage in other essential activities authorized by statute. • Families enrolled in both HS and SP must be eligible for both. • Class size is 20 children, with 3 adults per group. • Staff meet <i>CCR</i>, Title 5, requirements during SP hours. • A developmentally appropriate curriculum is in place throughout the day, with a variety of individual, small-group, and large-group activities planned for both morning and afternoon, with meals, snacks, and rest (nap) time. • All dually enrolled children receive Head Start comprehensive services. (Children enrolled in SP only are not eligible for HS comprehensive services.) • Parents of all dually enrolled children may participate in and/or be represented on the Head Start Policy Council and may serve on the State Parent Advisory Committee. (These two entities may be combined.) 	<p>Program Description</p> <ul style="list-style-type: none"> • GCC provides funding for full-day, full-year program with HS, providing an “umbrella” of comprehensive and additional services. • Parents must meet eligibility criteria and need criteria of GCC. • Families enrolled in both HS and GCC must be eligible for both. • Class size is 20 children, with 3 adults per group. • Staff must meet <i>CCR</i>, Title 5, requirements. • A developmentally appropriate curriculum is in place throughout the day, with a variety of individual, small-group, and large-group activities planned for both morning and afternoon, with breakfast, lunch, snacks, and rest (nap) time. • All children receive HS comprehensive services. • All parents may participate in and/or be represented on the Head Start Policy Council and may serve on the State Parent Advisory Committee. (These two entities may be combined.) 	<p>Program Description</p> <ul style="list-style-type: none"> • FCCH Network provides funding for full-day, full-year program with HS, providing an “umbrella” of comprehensive and additional services. HS infuses services into an FCCH through staff visits and training. HS may provide on-site training for providers, HS home visitors, assessments, screenings, and so forth. • Families enrolled in both HS and FCCH must be eligible for both. • Enrollment is based on licensed capacity of FCCH. • Program director of FCCH Network must meet <i>CCR</i>, Title 5, requirements. • A developmentally appropriate curriculum is in place throughout the day, with a variety of individual, small-group, and large-group activities planned for both morning and afternoon, with breakfast, lunch, snacks, and rest (nap) time. • All children receive HS comprehensive services. • All parents may participate in and/or be represented on the Head Start Policy Council and may serve on the State Parent Advisory Committee. (These two entities may be combined.)

<i>Head Start (HS) and State Preschool (SP) Partnership</i>	<i>Head Start (HS) and General Child Care (GCC) Partnership</i>	<i>Head Start (HS) and Family Child Care Home (FCCH) Network Partnership</i>
<p>Fiscal Description</p> <ul style="list-style-type: none"> • See “Acceptable Fiscal Approaches” (page 15). A cost-allocation plan <i>is required</i> for some types of these partnerships and <i>may be required</i> for other types. 	<p>Fiscal Description</p> <ul style="list-style-type: none"> • See discussion on enhancement under “Acceptable Fiscal Approaches” (page 16). 	<p>Fiscal Description</p> <ul style="list-style-type: none"> • See discussion on enhancement under “Acceptable Fiscal Approaches” (page 16).
<p>Value Added/Strengths of Model</p> <ul style="list-style-type: none"> • Family needs for full-day services are met. • Families receive comprehensive services. • Curriculum and materials are shared (affordability). • HS training dollars are available to the entire program. • Model facilitates single point of access for service delivery. • Model maximizes use of facilities and other resources. • Model increases options for parents. 	<p>Value Added/Strengths of Model</p> <ul style="list-style-type: none"> • Family needs for full-day services are met. • Families receive comprehensive services. • Curriculum and materials are shared (affordability). • HS training dollars are available to the entire program. • Model serves as single point of entry for service delivery. • Model maximizes use of facilities and other resources. • Model increases options for parents. 	<p>Value Added/Strengths of Model</p> <ul style="list-style-type: none"> • Family needs for full-day services are met. • Families receive comprehensive services. • HS training dollars are available to the entire program. • Model serves as single point of access for service delivery. • Economy of scale is facilitated. • Model may provide mechanism for additional funding, which may include salary improvements. • Model maximizes use of facilities. • Model increases parental choice in program design. • Services can be provided during nontraditional hours and in nontraditional settings. • Model ensures that child receives quality services in licensed, monitored program.

<i>Head Start (HS) and State Preschool (SP) Partnership</i>	<i>Head Start (HS) and General Child Care (GCC) Partnership</i>	<i>Head Start (HS) and Family Child Care Home (FCCH) Network Partnership</i>
<p>Challenges of Model</p> <ul style="list-style-type: none"> • Differences in income eligibility exist. • Group size is capped at a maximum of 20, which increases the financial burden brought about by reduced revenue in SP portion of the program. • Staff qualification differences (Title 5 vs. Title 22) may require HS to pay more staff and may require differing education levels for staff. • Differences in length of child eligibility period exist. • Enrollment vs. attendance definitions may cause confusion. • HS may serve over-income children with disabilities. • Priority differences on eligibility list exist. • Complexity of accounting increases. • Parents may have to duplicate paperwork if partners are separate agencies. 	<p>Challenges of Model</p> <ul style="list-style-type: none"> • Differences in income eligibility exist. • Group size is capped at a maximum of 20, which increases the financial burden brought about by reduced state revenues. • Differences between the funding sources on enrollment vs. attendance place an additional burden on earning the GCC contract. • Staff qualification differences (Title 5 vs. Title 22) may require HS to pay more staff and may require differing education levels for staff. • Differences in length of child eligibility period exist. • Priority differences on eligibility list exist. • HS may serve over-income children with disabilities. • Complexity of accounting increases. • Parents may have to duplicate paperwork if partners are separate agencies. 	<p>Challenges of Model</p> <ul style="list-style-type: none"> • Differences in income eligibility exist. • Differences in length of eligibility exist. • HS may serve over-income children with disabilities. • Children enrolled in HS may not readily receive child care funding because of a waiting list. • Parents may have to duplicate paperwork if partners are separate agencies. • Employer/employee issue may exist. (Provider may be considered an HS employee.)



Program Models: What Do They Look Like When Implemented?

The program models described in the matrix on pages 9 through 11 may be implemented in a number of ways. The three examples that follow illustrate possible implementation strategies.

Head Start and State Preschool Partnership, Type One—Mixing Funds to Operate as a Single Program

In this model, State Preschool (SP) funds half-days for part of the year, typically for 175 days, and Head Start (HS) funds the other half-days for the same part of the year. The funds are mixed in order to provide a seamless, full-day program.

If a full year and/or longer day is needed in the community, funds may come from the following:

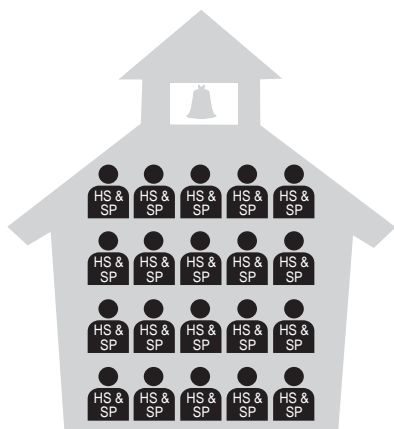
1. Partnership members' other resources
2. Another agency's resources

The mixing of funds in this model can be expressed by the following formula:

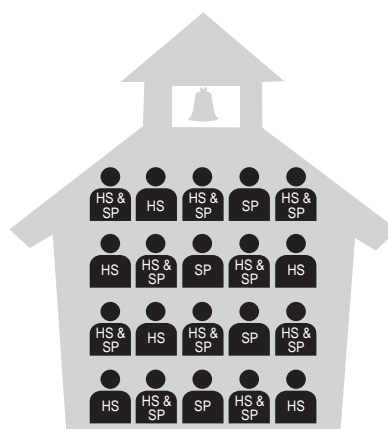
$$\text{SP (part-year)} + \text{HS (part-year)} + \text{additional funds} = \text{full-day, full-year.}$$

This model is commonly called the “braided,” “blended,” or “mixed” classroom. All children or only some of the children in the classroom may be Head Start eligible—either situation is acceptable.

A cost-allocation plan is required for this model unless all costs of the two programs are kept separate. See discussion on cost allocation under “Acceptable Fiscal Approaches” on page 15.



20 children, all eligible for HS and SP



20 children, eligible for either HS or SP, or both

Head Start and State Preschool Partnership, Type Two—Head Start and State Preschool Programs Operate Separately

In this model, SP funds half-days for part of the year, typically for 175 days, and HS funds the other half-days for the same part of the year. Each program is operated separately for half of the day. Funds are not mixed into a single fund that pays for the full day of services.

If a full year and/or longer day is needed in the community, funds may come from the following:

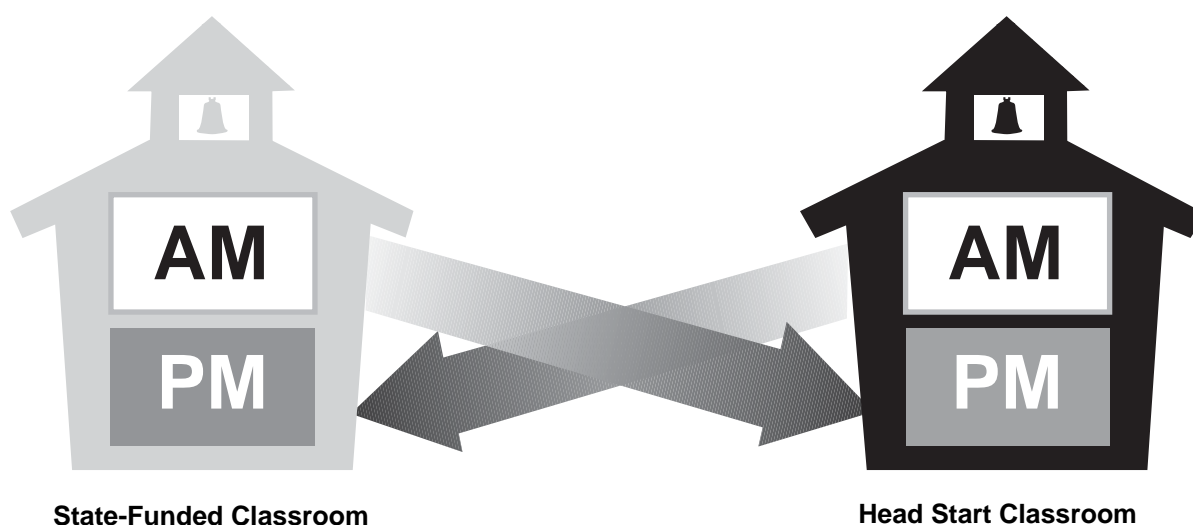
1. Partnership members' other resources
2. Another agency's resources

The operation of separate programs within this model can be expressed by the following formula:

$SP \text{ (part-year)} + HS \text{ (part-year)} + \text{additional funds} = \text{full-day, full-year.}$

This model is commonly called the “criss-cross” classroom(s). All children must be Head Start eligible.

A cost-allocation plan is not required if operations for Head Start and State Preschool are kept completely separate. A cost-allocation plan is required if any services are mixed (e.g., the teacher is paid with one check for both the Head Start and the State Preschool components).



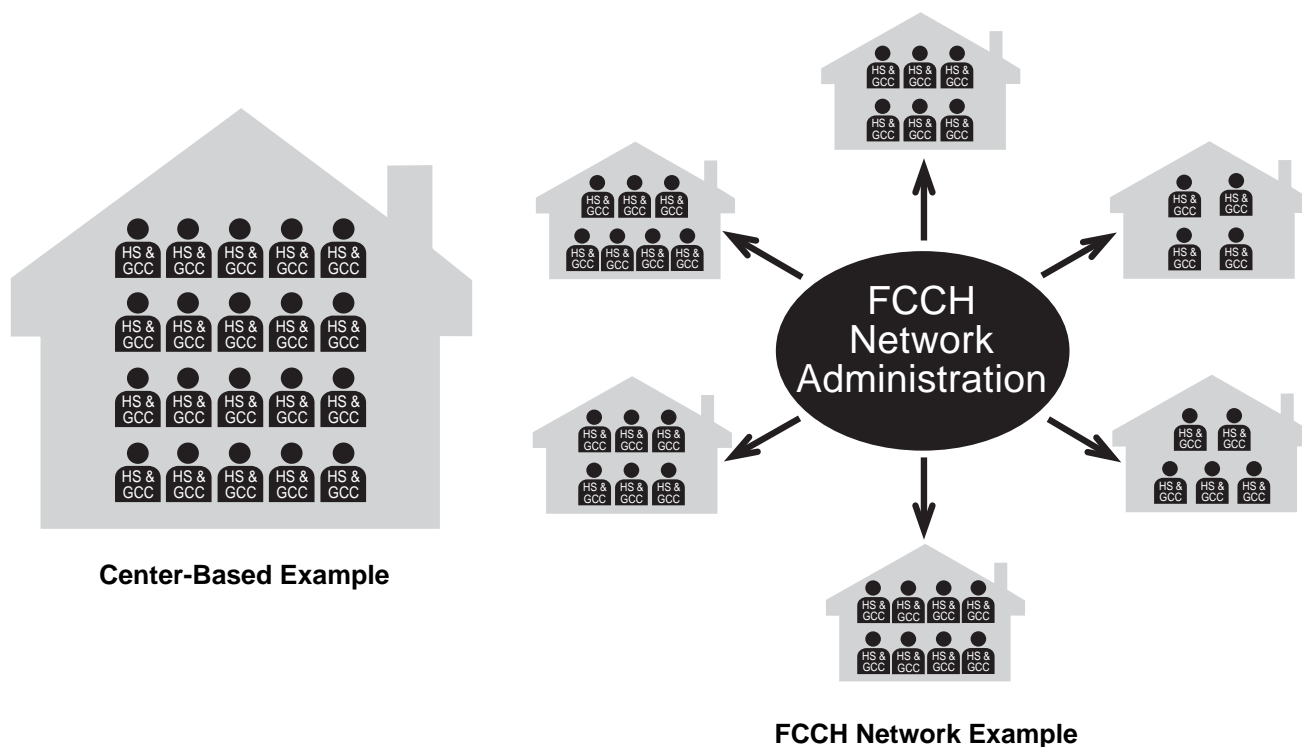
Note: A guiding principle adopted by the Collaborative Partners Work Group states the following: “The program day appropriately meets the developmental needs of the children.” This model conforms to the principle *only if* the Head Start and State Preschool coordinate the daily activities to provide appropriate periods of rest, play, and structured learning experiences.

Head Start and General Child Care Partnership, Head Start and Family Child Care Home Network Partnership

General Child Care (GCC)* provides funds for the full year, typically for 246 days, and for the full day. Head Start provides an “umbrella” of additional services, including comprehensive services for children and families, additional training resources, additional staff and/or materials, and so forth. In this model, all children in each classroom or family child care home (FCCH) participating in the collaboration must be enrolled in State GCC *and* must be Head Start eligible. However, agencies may operate additional classrooms that are not involved in the collaboration for children who do not have dual eligibility and/or enrollment.

Partnerships of this kind may operate as a single program with mixed funds or may operate with funds and services separately accounted for by each partner agency.

This model is commonly called the “umbrella” or “enhancement” model.



Note: No cost allocation plan is required for these models.

*For purposes of this model, “General Child Care” includes Migrant, Campus, and other variations of Center-based Child Development Division-funded early care and education programs.



Acceptable Fiscal Approaches

Most fiscal approaches in partnerships fall into one of two broad categories: Cost Allocation and Enhancement. Both categories are described in this section.

Cost Allocation

In this approach, the agencies establish a cost allocation base, such as the number of enrollment slots available or the hours of service provided each day by each partner.

The costs of operating each classroom are collected separately. Total classroom costs are then distributed to each program, based on a percentage derived from the agreed-upon allocation base.

Example: A classroom is providing full-day, full-year services to children who are coenrolled in a State Preschool program and Head Start. Out of the 10 hours of operation each day, 3.5 hours are chargeable to the State Preschool program, with the other 6.5 hours charged to Head Start. Therefore, 35 percent (3.5hrs/10 hrs) of the costs of the classroom are chargeable to the state, with the remaining 65 percent chargeable to Head Start.

Cost Allocation Plan: The cost allocation plan should be the simplest, most straightforward way of allocating costs fairly. For example,

*ACYF-IM-HS-01-06** states that programs should use the *aggregate* of all costs of the agency's program, as contrasted with using multiple cost allocation schemes.

In accordance with *ACYF-IM-HS-01-06*, the cost allocation plan must distribute costs equitably to the various programs involved as follows:

- ◆ A cost may be allocated to a particular cost objective if the goods or services involved are chargeable or assignable to that cost objective in accordance with the relative benefits received.
- ◆ There must be a way to reasonably establish the basis for the allocation, such as agency or classroom schedules or prior-year reports.
- ◆ Head Start's share of the collaboration budget is determined by the cost allocation plan, not by the quantity or percentage of Head Start dollars going into the total budget.

Some costs are judged to be allowable by only one of the programs (e.g., a cost is allowed by Head Start but considered to be nonreimbursable by the state child development contract).

* An *Information Memorandum* issued by the Head Start Bureau.

Such costs should be charged directly to that program and should not be involved in the cost allocation plan, as follows:

- ◆ Cost allocation plans are required in some cases in order to make clear which of two or more programs is to pay for particular services (*ACYF-IM-HS-01-06*).
- ◆ Equipment and nonconsumable supplies need not be allocated between the programs as long as Head Start is the predominate source of funding for the activity and the collaboration partner program is another federally funded child care program.

Enhancement

In this approach, the state child care funds are used to provide the full-day hours of operation, with Head Start funds used to “enhance” the program and to cover any additional operating costs. The relationship would be explained in the Head Start grantee’s federal application, and the state contractor would report to the state all costs of the program, with the Head Start funds reported as “restricted.” No cost allocation plan is required to distribute enhancement costs in this approach.

Example: A full-day state child care contract agency is approached by a Head Start program interested in providing additional services to the child care program’s Head Start eligible children. The Head Start program “enhances” the state contractor’s program by providing funds associated with meeting Head Start Performance Standards for all Head Start eligible children.

It should be noted that the State General Child Care program is required to provide full-day services in accordance with the needs of the children and families served. If there were a need to increase or decrease the hours of operation beyond current operations to meet child and family needs, the program would need to seek state approval to amend the approved program description in its funding application.

Head Start funds may be used to pay specific costs (e.g., equipment, curriculum, specified facility costs, an additional teacher in the class), or Head Start funds may be used as tuition or a stipend for a child enrolled in the child care program. In the latter case, the contract between Head Start and the child care program must identify the services being provided in return for the tuition or stipend.



Fiscal Requirements and Guidance

Collaborations involving Head Start and CDE/CDD early care and education programs must meet state *and* federal requirements. State requirements include, but are not limited to, contract funding terms and conditions, and applicable *California Code of Regulations*, Title 5 and/or Title 22, regulations. Federal requirements include the Head Start Performance Standards and other statutory and regulatory requirements. Agencies considering partnerships should become familiar with the essential fiscal and program requirements of their potential partner agencies. A summary of selected federal and state requirements and other guidance applicable to collaborations is provided in this section. The information is intended to provide general guidance for using state and federal funding sources; it should not be considered comprehensive in scope.

State Requirements and Guidance

State programs are funded through contracts between local agencies and the California Department of Education. Center-based (State Preschool and center-based child care) contract reimbursement is limited to the amount which is the least of the following:

- ◆ The total contract amount (known as the maximum reimbursable amount, or MRA);
- ◆ The net reimbursable program costs for subsidized children minus subsidized family fees and accrued interest; or
- ◆ The daily contract rate multiplied by the adjusted child days of enrollment of subsidized children minus subsidized family fees and accrued interest.

Alternative payment programs (APPs) do not operate centers or family child care home networks directly. Rather, they provide subsidies to eligible families through a voucher that the parents may present to the provider they choose. In addition to licensed settings, families may use their vouchers in licensed-exempt care, both in and out of their own home. Head Start programs may serve families receiving APP services in a variety of ways. For example, they may enroll Head Start eligible families in a traditional, part-day Head Start program, with the APP providing a voucher to the APP-enrolled family for the remainder of the day. Or the Head Start program may provide additional services to Head Start eligible families who are already receiving full-day, full-year services in home-based settings through the APP.

APP reimbursement is limited to the maximum rate established by the Regional Market Rate (RMR) Survey for the appropriate county and to the type and length of care provided. Additional support services, defined as those services that help promote the healthy physical, mental, social, and emotional growth of the children and families, may also be provided by the APP. An APP “earns” a contract with CDE by providing net reimbursable program costs with specified limits on administrative and support costs.

If a program fully covers the basic operations of the facility (personnel, building occupancy costs, basic household supplies, and so forth) with the voucher, the Head Start program may supplement the funding to increase quality. In such a case, the Head Start program is not required to account to the state for the funds.

Federal Requirements and Guidance

Head Start programs are funded through grants to local agencies from the U.S. Department of Health and Human Services. Requirements and guidance applicable to partnerships include, but are not limited to, the following:

- ◆ As long as cost-sharing arrangements are worked out in advance and are reflected in the agency’s approved Head Start grant application, no procedures will be necessary to separate the Head Start costs from other costs (*ACYF-IM-HS-01-06*). If the other source is a state program, a cost allocation for shared classrooms may still be required to support actual costs chargeable to the state. This is the case if the collaboration is with a program that does not allow equal proration of slots, such as a State General Child Care program.
- ◆ Any changes or deviation from the approved budget should be brought promptly to the attention of the federal funding official, and a request for a program amendment should be submitted.
- ◆ When reimbursement (in the form of vouchers or other mechanisms) covers only part of the cost of providing an allowable service, Head Start funds may be used for the balance of the cost (*ACYF-IM-HS-01-06*). In such a case, no cost allocation plan is required.
- ◆ When a staff member in a jointly funded position works primarily for Head Start (i.e., the salary paid by Head Start is 51 percent or more), that position must be approved by the Head Start Parent Policy Council.
- ◆ Early care and education/childcare is an allowable cost for Head Start.
- ◆ Early care and education/child care services to children who are not Head Start eligible must be charged exclusively to other sources.
- ◆ No fees may be charged for Head Start services. However, a partner—either the Head Start grantee or another partner—may collect fees for non-Head Start services.



Technical Assistance Resources

The following additional resources may be of interest to programs entering into partnerships.

- ◆ *Collaborative Partners: California's Experience with the 1997 Head Start Expansion Grants* was produced by the California Head Start–State Collaboration Office and published by the California Department of Education in 1999. This document may be downloaded at the Web site <www.cde.ca.gov> (scroll to “Head Start Collaboration”) or ordered from the California Department of Education, CDE Press Sales Office, 800-995-4099 (toll-free).
- ◆ The Head Start Bureau has a number of Information Memorandums regarding collaboration available at its Web site: <www.acf.dhhs.gov/programs/hsb>. Of particular interest is ACYF-IM-HS-01-06, *Considerations for Grantees with Multiple Sources of Funding*.
- ◆ *Child Care and Head Start: Incentives, Challenges, and Models for Successful Collaboration* was prepared by Monica Rohacek for the Los Angeles County Child Care Planning Committee. For information call the Los Angeles County Office of Child Care at (213) 974-4103.
- ◆ Quality in Linking Together (QUILT) is a training and technical assistance project funded by the Head Start Bureau and the Child Care Bureau. The project's goal is to foster and support partnerships among child care, Head Start, prekindergarten, and other early education programs. Its Web site address is <www.quilt.org>; its toll-free telephone number is 877-867-8458.
- ◆ *Braided Funding—Frequently Asked Questions and Answers* was produced by the Community Development Institute in collaboration with the Region VIII Head Start Quality Improvement Center and QUILT in 2001. The document can be viewed at the Region VIII Head Start Web site: <www.region8headstart.org/news> under “Resources from Region VIII and Head Start Conferences.”